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EMEA Firms Make the Case for Mobile Field Service

Firms in Europe, the Middle East, and Africa (EMEA) are realizing the value of effective service in replacing shrinking product-based revenue and profit streams. Aberdeen's September 2008 research for the *Mobility in Today's Service Organization* report revealed that 86% of firms in the EMEA region considered service to be 'extremely' or 'very' important to the operational and financial performance of their organizations.

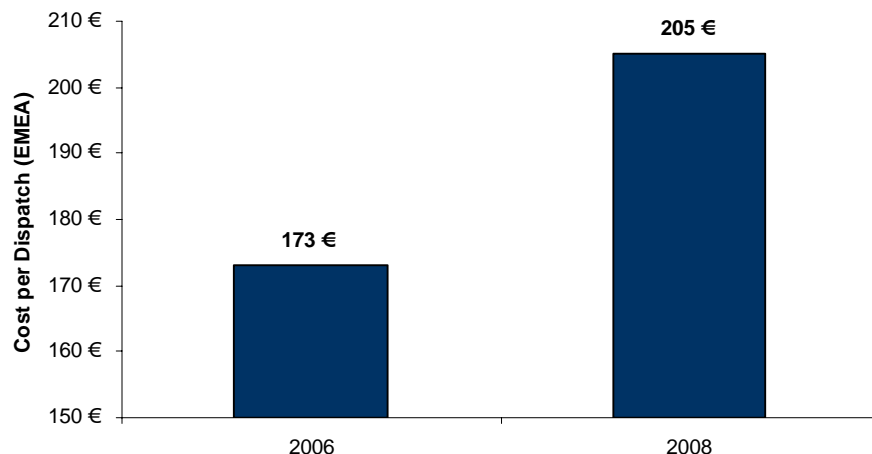
In order to support higher levels of service, 95% of EMEA firms classified mobility as 'extremely' or 'very' important to the success of their field operations and despite current global economic conditions, are still active in their evaluation of mobile solutions to drive efficiency into their service delivery processes.

Today's tough business environment places an increased focus on the ability of firms to efficiently integrate mobile capabilities, as enabled by both applications and devices, with broader service management initiatives in order to deliver superior customer service and maintain margins.

Matching Cost and Customer Satisfaction

Considering the importance being placed on mobility for service success in the EMEA region, it is surprising to see that only 38% of firms indicate that they are currently leveraging mobile tools or applications, compared to 50% of North American firms. However, nearly 45% are currently evaluating these tools in the next 12 to 24 months.

Figure 1: Rising Cost per Dispatch



Source: Aberdeen Group, 2006 and 2008. Values converted at \$1.32/Euro as of 1/14/09

Sector Insight

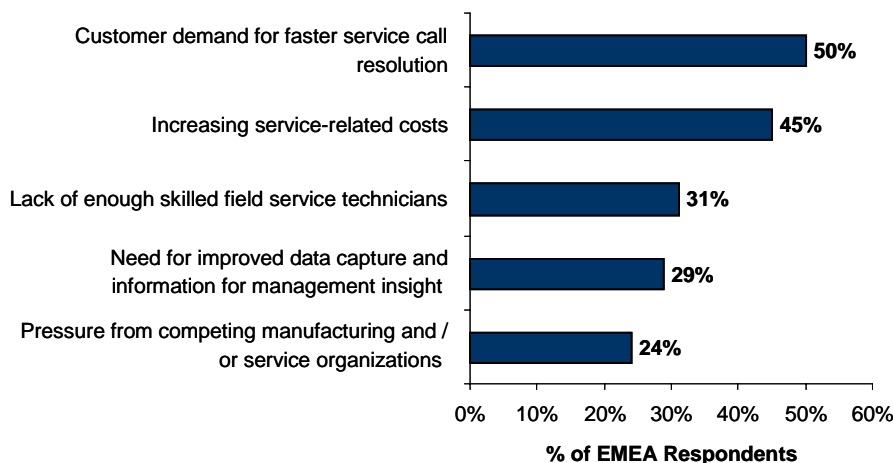
Aberdeen's Sector Insights provide strategic perspective and analysis of primary research results by industry, market segment, or geography.

As is with most of their global counterparts, a large portion of this interest is driven by the need to be more efficient in the face of rising customer demands for improved service coupled with rising service-related resource costs, as evidenced by the near 19% increase in cost per dispatch for EMEA firms over the last two years (Figure 1).

While cost headaches were high in the priority list for EMEA firms, these firms were slightly less likely to have cost as their top pressure for improved mobile workforce management. Forty-five percent (45%) of EMEA firms claimed this to be a top market driver for them in the search for mobile solutions, compared to 59% of APAC firms and 66% of North American firms.

For EMEA firms, the top priority was increasing customer demands for improved and faster service (Figure 2). As such, in 2009, they will be squarely focused on establishing the perfect balance of providing expedited and efficient service while managing and controlling service costs.

Figure 2: Market Pressures for EMEA Service Organizations



Source: Aberdeen Group, September 2008

The Importance of First Time Fix

In the drive for efficiency in their service operations, service and manufacturing firms in the EMEA region need to do a better job of fixing service issues on a first-visit basis. On average, these firms only report a 58% first-time fix rate, which is below the average for North American counterparts and far below the performance of Best-in-Class service firms (Table 1). The current first-time fix performance indicates that 42% of all service visits require at least one additional visit to close the incident. While these firms are taking significant steps in driving productivity and mean time to repair levels (success reflected over the last 12 months), an increased focus on first-time fix can really push their service margins to the levels of Best-in-Class.

Using a simple example to illustrate potential cost savings, a firm with 200 engineers each averaging five jobs a day costing €200 per dispatch can experience a €10,000 daily cost saving from a 5% increase in first-time fix. (50 dispatches avoided at 200 Euros a piece) This could add up to savings of €2 million plus per annum. These 50 dispatches would naturally be available as extra service capacity to the business.

Table 1: KPI Comparison

Key Performance Indicator	Average Performance			
	Best-in-Class	EMEA	North America	APAC
Current service margins (svc profit/svc rev)	25%	18%	20%	20%
First-time fix	81%	58%	63%	52%
SLA compliance	93%	80%	84%	86%
Year-over-year change in workforce productivity	19%	13%	11%	13%
Year-over-year change in mttr	18%	8%	7%	13%

Source: Aberdeen Group, September 2008

The Search for Efficiency

To battle cost and customer satisfaction pressures, a large percentage of EMEA service organizations are looking to replace paper-based dispatch with automated service workflows, as evidenced by 69% of respondents that indicate that it is a strategic action being taken. In addition, these firms are looking to empower their technicians with work-related information in real-time (43% of EMEA) as well as linking them with parts availability information in real-time (23% of EMEA). Another 31% are looking to closely align parts management, forecasting and planning initiatives with field service automation efforts. These actions are being planned in direct response to the below par first-time fix performance and due to lagging service delivery efficiency.

With improved real-time visibility into work order and parts information, the likelihood of a technician arriving at a specific customer site without the right tools or information is greatly diminished. On the theme of real-time information, 31% of EMEA firms are also looking to develop real-time visibility into the location and status of their service technicians.

With the need to empower technicians with tools and information, it is vital to understand what the average EMEA field technician currently has mobile access to - whether it be through voice, SMS, email or other modes of communication. Table 2 reveals that only 51% of EMEA firms currently provide their workers with mobile access to service schedules and work order queue and only 54% indicating that these technicians have the ability to close out service tickets while on the move. Therefore, a significant percentage of simple tasks still have to be completed through frequent and

often redundant contact with the dispatcher - a slow and time consuming process.

Table 2: Top Mobile Functions

Technician Mobile Ability / Access to:	In Place (% EMEA)	Technician Mobile Ability / Access to:	Currently Evaluating (High Priority) (% EMEA)
Close out Service Ticket	54%	Diagnostic capabilities	54%
Service Schedules and Work Order Queue	51%	Customer feedback at point-of-service	37%
Serviceable Asset Information History	46%	Location status confirmation / reporting	31%
Customer / Site Service History (Entitlements, special requirements, etc.)	37%	Inventory visibility and ordering	31%
Access to experts for product-service related advice and best practices	31%	Capture proof of service (voice or signature)	31%

Source: Aberdeen Group, September 2008

However, in the next 12 months, EMEA firms are on the lookout to empower their technicians with more work-specific knowledge and enhanced resolution capabilities. A top priority for capabilities to be provided to field technicians is the ability to properly diagnose problems in the field through direct connections (tethered or untethered) with the serviceable asset. While not represented on Table 2, 30% of EMEA firms have also made a high priority to link their technicians to customer- or site-specific service information - better knowledge availability is a key step to improving service efficiency and first-time fix. Along those lines, and also reflected in the planned strategic actions, 31% of EMEA firms are looking to provide their technicians with improved parts management capabilities while in the field.

The other prioritized field-based capabilities for EMEA firms are the timely capture of customer feedback and proof of service completion at the time of service. Timely customer feedback is key to getting an accurate fix on customer satisfaction (the top KPI used by EMEA firms to measure service performance), and timely proof of service is important to ensure prompt SLA compliance and quick resolve of billing and other invoicing needs.

“Service engineers are more confident as they have a better view of the bigger picture. Field staff takes more ownership since they plan their own day, based on total workload and an understanding of the customer.”

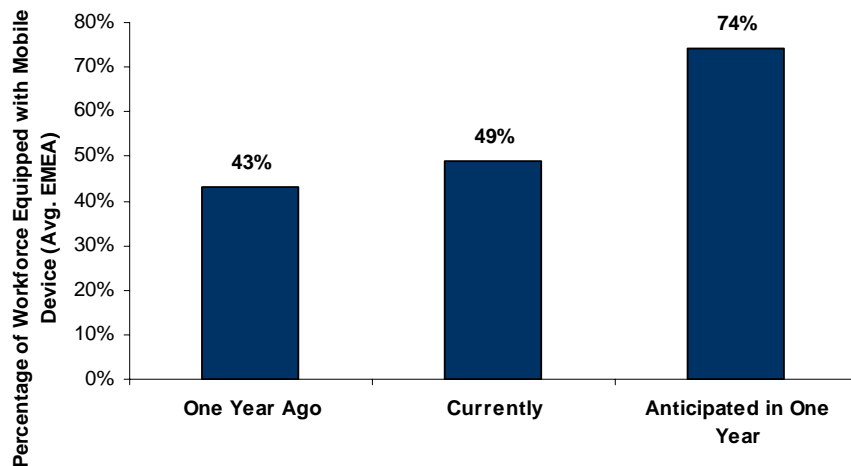
~ National Service Manager,
Global Office Equipment
Manufacturer

Tools Required - Hardware

To attain the above mentioned capabilities, EMEA firms plan a dramatic increase in the adoption of mobile tools / devices. Currently, these firms report that only 49% of their workforces are equipped with mobile devices, slightly lower than the 59% average reported globally and the 64% number for North American workforces. However, these firms anticipate that the average percentage will jump to 74%, reflecting that nearly three-quarters of

their field workforce will have a mobile device in the next 12 months (Figure 3).

Figure 3: Mobile Penetration in the EMEA Service Workforce



Source: Aberdeen Group, September 2008

Looking at the types of devices in hand, a majority of firms currently rely on standard mobile phones for work order management therefore confirming the limited work order management capabilities. This is also confirmed by the fact that a large majority of EMEA firms have their workers provide information back to dispatch either through voice communication (46% for voice with dispatcher) or SMS messaging (66% of EMEA firms). Email is also becoming increasingly prevalent in these firms as 80% indicate the use of email as a medium for exchanging information between the field and the back-end. To support increased email and form-based communications in the next 12 to 24 months intentions are to invest in a plethora of devices, primarily those that initially deal with improved visibility and tracking capabilities. Consumer-grade PDAs are also near the top of the wanted list to supplement the 29% of firms that already have them in place. This is an indication of interest in providing the workers with improved field-based work order management capabilities.

Table 3: Devices in Demand

Currently Held Devices	(% EMEA)	Planned Adoption in Next 12-24 Months	(% EMEA)
Mobile phones without GPS	69%	Consumer-grade PDAs mobile printer	29%
Consumer-grade laptops	63%	Handheld GPS units	20%
Consumer-grade PDAs	29%	Digital cameras	20%
Mobile phones with GPS	29%	Ruggedized PDAs	17%
Pagers	23%	GPS-enabled vehicle tracking	17%

Source: Aberdeen Group, September 2008

Tools Required - Applications

To push information to these devices, currently 31% of firms have mobile field service systems in place. Parts management systems (45% of EMEA respondents) and analytics (43% of EMEA respondents) are also being used to support field service processes. Interest in these systems is high as firms look to drive improved visibility into field worker and spare part location, status and performance.

Successful service organizations are those that are effectively able to integrate these systems to ensure a comprehensive view of service management processes and performance. Visibility into parts levels may help reduce costs from an inventory point of view, but without proper integration, co-existing scheduling and other workforce management applications may not have the ability to allocate the appropriate resource so as to drive first-time fix performance.

Other systems popular among EMEA service firms for the management of mobile workforces are ERP and CRM-based service modules, while 31% indicate their reliance on end-to-end best of breed service management solutions. Looking forward into the next 12 to 24 months, intentions are to move away from broader ERP-based mobile service offerings and evaluate more focused mobile field service solutions (for work order management and scheduling) as well as in dynamic scheduling and forecasting applications.

The Importance of Enterprise Integration

Given the current use of and interest in a number of applications, integration frameworks and capabilities are not only the key challenges that EMEA firms are looking to overcome with regards to mobile automation, but are also by far the most important solution selection factor for these firms in the evaluation of both mobile devices and applications. In application selection, 71% of firms indicated integration requirements as the top solution selection criterion with 69% claiming integration as by far the most important factor in the selection of mobile devices. EMEA service organizations are also extremely interested in the configurability of their solutions so as to enhance the overall usability. In addition, a little more than 50% of EMEA survey respondents are receptive to paying more for improved connectivity with their mobile solutions.

Effective integration for faster ROI becomes even more vital given the need to drive instant results in the current economy. While 31% of firms polled that they were currently delaying automation intentions with regards to mobility in the near term, none (0%) indicated complete abandonment of purchase intentions. Therefore almost two-thirds of EMEA firms indicated that current economic conditions would not hamper mobile automation intentions, primarily due to immediate need for improved efficiency in service delivery. However, additional integration headaches can dramatically drive up costs and time to implementation and lead to the delay in the purchase of mobile tools.

"Although we have taken the costs out of our field service operations, customers are no longer attracted by price but how we execute and guarantee our service offerings. The benefits of our advanced mobile workforce management solution now enable the business to meet the complex requirements of much larger organizations."

~ Brian Wathen, Client Services Director, a&o systems + service

Integration

71% of EMEA firms indicated integration with related enterprise systems was the top solution selection criterion for mobile applications. Similarly, Sixty-nine (69%) claimed integration to be by far the most important factor in the selection of mobile devices.

Case in Point - a&o systems + services

a&o systems + services is a vendor-independent provider of IT services operating across Western Europe. Formed in 2006 as a result of the acquisition of the Global Field Services division of EDS, it is part of the a&o group; a fast-growing, privately-held services organization headquartered in Germany. a&o delivers multi-vendor field, on-site and project services throughout the UK, Europe and internationally to more than 80 countries.

Operating as an independent company in a highly competitive market, a&o's management core focus was on its margins, identifying the efficiency of its engineering workforce as a clear target for cost reduction and customer service improvement. Engineers are based both on site and move from job to job in the field managing customers' IT infrastructure. They are separated into three distinct groups; Tier One covering basic support and installation services; Tier Two managing first line calls, preventative maintenance and Professional Services; and Tier Three providing more complex and specialist support to selected vendor products.

In this search for service-based efficiency, a&o was committed to ensuring that system performance and user satisfaction were high, and therefore looked to innovation to support the optimization of its field workforce.

"The first step was to implement Active Operational Management," states Brian Wathen, Client Services Director, a&o systems + services. "Through analyzing historic work profiles we were able to identify our busiest periods. This allows us to predict workflow rates and smooth each engineer's workload, accommodating any fluctuations that may occur. For example, we found that Tuesdays were the busiest day of the week and Thursdays the quietest. We therefore needed to ensure that planned maintenance was scheduled for Thursdays to leave Tuesdays open for reactive maintenance."

Armed with a top level view of how best to utilize its engineering resources, a&o then selected a Dynamic Scheduling Engine (DSE) which was supplied with business rules, and resource descriptions as well as the back end system integration capability, all presented on a workbench display. From here, a&o worked with Cognito, a mobile workforce management application provider, to exchange job and location data with the field through Cognito's managed network communications infrastructure. With this in place, engineers were able to receive and update job details remotely via Cognito-enabled PDAs. GPS location fixes of all engineers were subsequently fed into the DSE and the day progressed, engineer's schedules were optimized and updated accordingly.

a&o now has greater visibility and control over its field workforce. By building a stronger business process, a direct impact on performance has been realized through gains in efficiency and productivity. "We have eradicated non value-added activity in the service centre, halving manual scheduling personnel with a further likely decrease to just a third of original numbers," enthuses Wathen. "Service centre operatives no longer re-key data into back office systems and we have been able to add electronic

"When you have staff in the field, the key challenge is to keep them busy without compromising quality. You are under constant pressure to cut costs and to achieve this you must be innovative."

~ Brian Wathen, Client
Services Director, a&o
systems + services

signature capture. We can also plan with confidence to meet SLAs at the latest possible time which allows us further flexibility in planning the most efficient and cost-effective schedules.”

The system has delivered increased customer satisfaction levels, due in large part to the timeliness of engineers, as well as the ability to keep customers informed, especially if an SLA is going to be missed. a&o service centre operatives can determine if an SLA is not going to be achieved through a comprehensive database detailing average job completion times amongst such records as engineer skill sets and security clearance levels; if an engineer hasn't reported back within a pre-determined period an alert is created.

a&o has also integrated its parts management into the overall system. Engineers pick up required parts prior to arriving at a customer's location and drop off unused and faulty parts when the job is completed. By analyzing its customer and serviced equipment locations, a&o selects the best places for its stock to be staged.

Although the engineers had minor cultural issues with the uptake of the system, any initial reluctance was dissolved through open and honest management. The engineers were consulted throughout the entire process and sold benefits such as the fact that they are scheduled closer to home at the end of each shift, and have no manual re-keying of data to perform in their own time.

“Currently, the scheduler accounts for the planning of 80% of work, which has enabled the reallocation of manual resource to other areas of the business. We soon expect 100 engineers to complete the same workload that was previously distributed amongst 225 engineers; we are getting up to two extra jobs per engineer per day.”

~ Brian Wathen, Client
Services Director, a&o
systems + services

Recommended Actions

The following are four initial steps that EMEA service and manufacturing firms can take to drive their field service performance:

- **Measure the right metrics.** Nearly a quarter of firms in the EMEA region claim to not measure or know what their first-time fix rates are. Step one to recovery in first-time fix is visibility into and recognition of performance.
- **Gain visibility into mobile assets.** Several of the performance metrics such as productivity, first-time fix, and mean time to repair, wherein EMEA firms trail leading service firms, can be directly influenced by improved visibility into mobile assets. Currently only 24% claim to have real-time visibility into mobile assets but 40% indicate urgent interest in having this capability in place in the next 12 to 24 months, hence the interest in asset tracking tools along with improved analytics. Improved real-time visibility is also a key strategic action being considered by EMEA firms in the next 12 to 24 months. Another 43% of EMEA firms are currently looking to improve the integration of captured product and service performance information into their overall dashboards and analytics systems.
- **Capture and store asset or service performance information for real-time access.** While 43% of EMEA firms

indicate that their technicians have field-base access to serviceable asset history, only 24% of EMEA firms indicate that service or asset status information is captured at the point-of-service and automatically transferred to a knowledge repository for access by the entire service organization. Inadequate real-time access across the entire service organization can greatly hamper efficient scheduling and dispatch. Given the drive for efficiency in these firms, nearly 38% are looking to focus on the expedited capture and storage of information coupled with improved organization-wide knowledge availability in the next 12 to 24 months.

- **Consider dynamic scheduling of technicians.** EMEA firms continue to trail their North American counterparts in their reliance on dynamic scheduling. Increased workforce management capabilities afforded by mobile tools and increased visibility made possible by asset tracking tools can enable the service firm to not only be able to optimize the scheduling of service technicians, but also make this information available to technicians in real-time. While the success of dynamic scheduling tools relies on organizational processes and algorithm inputs, dynamic scheduling does drive efficiencies in the management of service delivery processes. Currently only 19% of firms dynamically schedule their technicians when compared to 33% of North American firms, but 43% are considering this form of scheduling and dispatch in the next 12 to 24 months.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research	
Mobility in Today's Service Organization ; September 2008	Rugged Computing Devices Bring it All Together in the Field ; June 2008
Mobile Intentions: Will the Economy Interfere ; October 2008	A Guide to Service Delivery Excellence ; June 2008
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